

ASSESSMENT OF MILITARY PERSONNEL

The assessment of the non-business personal property of military personnel still appears to be an area of confusion, judging from the number of calls we receive on this subject. The subject is further complicated by questions regarding the federal Soldiers and Sailors Relief Act of 1940. (*Now entitled Service Members Civil Relief Act 50 USC App. 571*) The United States Supreme Court has stated that service [people] shall not lose their residence or domicile at their home state solely by reason of being absent therefrom in compliance with military or naval orders, and that it does not relieve service (people) stationed away from home from all taxes of their state of domicile, but is to also relieve them of the burden of supporting multiple governments.

The effect of the Act is to treat military personnel as though they have never left their home state and county. Consequently, assessors must treat the tangible personal property of Missouri personnel stationed in other states or countries the same as if the taxpayer (and his/her property) were still present in the county. Conversely, the non-business personal property of any military personnel residing in a Missouri county under military orders is not taxable in Missouri.

The Attorney General issued an opinion (Burrell, Op. Att'y. Gen. No 95 (Feb 16, 1966) concluding that non-resident military personnel stationed in Missouri may obtain a certificate of no tax due (often called a waiver) from the collector and license their cars in Missouri without paying property tax on them. If the vehicle is registered jointly with a spouse, the vehicle may not be taxed in Missouri, however, if a military spouse is the sole owner, it should be taxed as any other resident. Verification of a serviceperson's residence or home of record is easily ascertainable by looking at the bottom portion of their "Leave and Earnings Statement" (i.e., pay stub), which indicates the individuals claimed home state of record.

In November 2009, the President signed the *Military Spouses Residency Relief Act*, the act provides, among other things, that the military spouse shall neither lose nor acquire a residency for tax purposes by reason of being absent or present in any taxing jurisdiction solely to be with the service member in compliance with military orders if the residence is the same for the service member & spouse.

Prior to this change, the State Tax Commission advised assessors that vehicles should not be assessed in Missouri if they were owned individually by the service member whose home of record was not Missouri or jointly by the service member and spouse. Accordingly, we also advised that if the spouse was the sole owner of the vehicle under these circumstances, the vehicle should be assessed.

The change in the federal law now requires a vehicle (or, other personal property) not to be taxed in Missouri if it is owned by the spouse of a service member whose home of record is not Missouri, and whose residence is the same as the service member's, even if the property is owned individually by the spouse. Conversely, personal property is taxable in Missouri if it is owned by the spouse of that service member stationed outside the state of Missouri but whose home of record is Missouri, even if the property is located outside Missouri, provided the residence of the spouse is the same as the service member's.